



Department of Justice

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MONTGOMERY, ALABAMA— Leura G. Canary, United States Attorney for the Middle District of Alabama, announced that on June 29, 2007, United States District Judge William K. Watkins sentenced Eugene L. Cleckler (“Eugene”), age 69, of Clanton, to 33 months in federal prison, three years supervised release, and an order of restitution of \$313,000 based on his January 12, 2007 conviction on charges of conspiracy, in violation of Title 18, United States Code, Section 371, and obstructing the functions of the Internal Revenue Service, in violation of Title 26, United States Code, Section 7212(a). Eugene stood trial with his son, Kim Cleckler (“Kim”), who was charged in the same indictment but found not guilty. Judge Watkins ordered Eugene to report to prison on August 14, 2007.

According to the indictment and other court documents, Eugene and Kim were equal partners in Gene’s Marine Sales (“Gene’s”), a boat dealer in Clanton. Eugene was also the 100% owner of Ezy-Ryder, Inc. (“Ezy”), which was also in the boat business. Because Gene’s was a partnership, the individual partners—Eugene and Kim—paid the taxes on its income.

Beginning in 1996, the IRS began auditing Gene’s, Ezy, Eugene, and Kim for the tax years 1994 and 1995.

Beginning in November 1996, at the direction of Eugene, a Gene’s employee created fictitious documents that purported to show amounts that Gene’s had either paid to or owed to its suppliers. Gene’s presented to the IRS a summary of these false documents, which made it appear as if Gene’s expenses were \$525,000 greater than they actually were for 1994 and 1995.

Between May and November 2000, at the direction of Eugene, Gene’s employees created fictitious documents that falsely showed that revenue that had in fact been earned by Gene’s was earned by Ezy. This was advantageous to Eugene and Kim because (a) Ezy’s losses would have offset the revenue, and (b) as a corporation, only Ezy, rather than Kim and Eugene, would have owed any additional taxes. On the other hand, if the IRS concluded that Gene’s had earned the revenue, Gene’s income, and therefore Eugene and Kim’s taxes, would have increased substantially. Eugene caused these fictitious documents to be submitted to the IRS between August 2000 and November 2000.

The case was investigated by the IRS’s Criminal Investigation Division. The case was prosecuted by Assistant U.S. Attorneys Andrew O. Schiff and Christopher A. Snyder.